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**TOWN OF TULLOS, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-26-2006

**TOWN OF TULLOS  
GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

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# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of CPAs

Mayor and Board of Aldermen  
Town of Tulos, Louisiana

I have compiled the accompanying general purpose financial statements of the Town of Tulos as of June 30, 1999, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of Town of Tulos. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated December 15, 1999, on the results of my agreed-upon procedures.



William D. Edwards, CPA  
December 15, 1999

**TOWN OF TULLOS**  
**Combined Balance Sheet - All Fund Types**  
**and Account Groups**  
**For the Year Ended June 30, 1999**

|   | Governmental Fund Type |                         |                     | Account Group                |                           | (Memo)<br>Totals   |
|---|------------------------|-------------------------|---------------------|------------------------------|---------------------------|--------------------|
|   | General<br>Fund        | Debt<br>Service<br>Fund | Proprietary<br>Fund | General<br>Long-term<br>Debt | General<br>Fixed<br>Asset |                    |
| <b>ASSETS</b>   |                        |                         |                     |                              |                           |                    |
| Current Assets:   |                        |                         |                     |                              |                           |                    |
| Cash and equivalents                                      | \$23,832               | \$1,606                 | \$71,204            |                              |                           | \$96,642           |
| Accounts receivable                                       | 8,257                  |                         | 20,115              |                              |                           | 28,372             |
| Interfund receivable                                      | 27,560                 |                         | 1,000               |                              |                           | 28,560             |
| Total current assets                                      | 59,649                 | 1,606                   | 92,319              | 0                            | 0                         | 153,574            |
| Restricted Assets:  |                        |                         |                     |                              |                           |                    |
| Cash - Meter deposits                                     |                        |                         | 11,977              |                              |                           | 11,977             |
| Noncurrent Assets:  |                        |                         |                     |                              |                           |                    |
| Amount to be provided for<br>retirement of long-term debt |                        |                         |                     | \$91,000                     |                           | 91,000             |
| Property, plant, and equipment                            |                        |                         | 1,773,714           |                              | \$149,222                 | 1,922,936          |
| Less: accumulated depreciation                            |                        |                         | (559,148)           |                              |                           | (559,148)          |
| Total noncurrent assets                                   | 0                      | 0                       | 1,214,566           | 91,000                       | 149,222                   | 1,454,788          |
| <b>TOTAL ASSETS</b>                                       | <b>\$59,649</b>        | <b>\$1,606</b>          | <b>\$1,318,862</b>  | <b>\$91,000</b>              | <b>\$149,222</b>          | <b>\$1,620,339</b> |
| <b>Liabilities and Fund Balances</b>                      |                        |                         |                     |                              |                           |                    |
| Liabilities:  |                        |                         |                     |                              |                           |                    |
| Accounts payable  | \$1,437                |                         | \$2,389             |                              |                           | \$3,826            |
| Sales tax payable   |                        |                         | 719                 |                              |                           | 719                |
| Interfund payable   | 3,063                  |                         | 25,497              |                              |                           | 28,560             |
| Customer deposits payable                                 |                        |                         | 11,977              |                              |                           | 11,977             |
| Payroll taxes payable                                     | 4,080                  |                         |                     |                              |                           | 4,080              |
| Certificate of indebtedness                               |                        |                         |                     | \$91,000                     |                           | 91,000             |
| Total liabilities   | 8,580                  | 0                       | 40,582              | 91,000                       | 0                         | 140,162            |
| Fund Equity   |                        |                         |                     |                              |                           |                    |
| Investment in general fixed assets                        |                        |                         |                     |                              | \$149,222                 | 149,222            |
| Retained earnings:  |                        |                         |                     |                              |                           |                    |
| Unreserved  |                        |                         | 975                 |                              |                           | 975                |
| Contributed capital                                       |                        |                         | 1,277,305           |                              |                           | 1,277,305          |
| Fund balance:   |                        |                         |                     |                              |                           |                    |
| Reserved  |                        | \$1,606                 |                     |                              |                           | 1,606              |
| Unreserved  | 51,069                 |                         |                     |                              |                           | 51,069             |
| Total fund equity   | 51,069                 | 1,606                   | 1,278,280           | 0                            | 149,222                   | 1,480,177          |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b>                  | <b>\$59,649</b>        | <b>\$1,606</b>          | <b>\$1,318,862</b>  | <b>\$91,000</b>              | <b>\$149,222</b>          | <b>\$1,620,339</b> |

See accompanying notes and accountant's compilation report.

**TOWN OF TULLOS**  
**Combined Statement of Revenue, Expenditures, and**  
**Changes in Fund Balances - General Fund**  
**For the year ended June 30, 1999**

|   | <u>Budget</u>          | <u>Actual</u>          | Variance<br>Favorable<br>(Unfavorable) |
|---|------------------------|------------------------|--|
| REVENUES  |                        |                        |  |
| Ad valorem taxes  | \$11,000               | \$11,186               | \$186                                  |
| Occupational license  | 14,200                 | 12,639                 | (1,561)                                |
| Franchise fees  | 9,500                  | 7,644                  | (1,856)                                |
| Tobacco taxes   | 1,800                  | 1,154                  | (646)                                  |
| Beer taxes  | 2,400                  | 3,680                  | 1,280                                  |
| Court fines   | 10,400                 | 15,855                 | 5,455                                  |
| Video poker   | 16,500                 | 14,371                 | (2,129)                                |
| Fire assessment   | 23,500                 | 26,122                 | 2,622                                  |
| Royalties   | 2,500                  | 536                    | (1,964)                                |
| Miscellaneous   | 3,000                  | 1,440                  | (1,560)                                |
| Licenses and permits  |                        | 480                    | 480                                    |
| Interest  | <u>2,600</u>           | <u>701</u>             | <u>(1,899)</u>                         |
| TOTAL OPERATING REVENUES  | <u>97,400</u>          | <u>95,808</u>          | <u>(1,592)</u>                         |
| EXPENDITURES  |                        |                        |  |
| General government  | 49,500                 | 66,705                 | (17,205)                               |
| Public safety:  |                        |                        |  |
| Police  | 23,000                 | 22,715                 | 285                                    |
| Fire  | <u>7,500</u>           | <u>7,245</u>           | <u>255</u>                             |
| TOTAL EXPENDITURES  | <u>80,000</u>          | <u>96,665</u>          | <u>(16,665)</u>                        |
| EXCESS OF REVENUES OVER EXPENDITURES                            | 17,400                 | (857)                  | (18,257)                               |
| OTHER FINANCING (USE)   |                        |                        |  |
| Operating transfer out to Debt Service                          | <u>(15,400)</u>        | <u>(15,202)</u>        | <u>198</u>                             |
| TOTAL OTHER FINANCING (USE)                                     | <u>(15,400)</u>        | <u>(15,202)</u>        | <u>198</u>                             |
| EXCESS OF REVENUES OVER EXPENDITURES<br>AND OTHER FINANCING USE | 2,000                  | (16,059)               | (18,059)                               |
| FUND BALANCE, BEGINNING   | <u>70,985</u>          | <u>65,434</u>          | <u>(5,551)</u>                         |
| FUND BALANCE, ENDING  | <u><u>\$72,985</u></u> | <u><u>\$49,375</u></u> | <u><u>(\$23,610)</u></u>               |

See accompanying notes and accountant's compilation report.

**TOWN OF TULLOS**  
**Combined Statement of Revenue, Expenditures, and**  
**Changes in Fund Balances - Debt Service Fund**  
**For the year ended June 30, 1999**

|  |          |
|--|----------|
| REVENUES   |          |
| TOTAL REVENUES   | 0        |
| EXPENDITURES   |          |
| Principal  | \$10,000 |
| Interest   | 5,202    |
| TOTAL EXPENDITURES   | 15,202   |
| EXCESS OF REVENUES OVER EXPENDITURES   | (15,202) |
| OTHER FINANCING SOURCE   |          |
| Operating transfer in from General fund  | 13,508   |
| TOTAL OTHER FINANCING SOURCE   | 13,508   |
| EXCESS OF REVENUES AND OTHER SOURCE OVER<br>EXPENDITURES AND OTHER FINANCING USE | (1,694)  |
| FUND BALANCE, BEGINNING  | 3,300    |
| FUND BALANCE, ENDING   | \$1,606  |

See accompanying notes and accountant's compilation report.

**TOWN OF TULLOS**  
**Combined Statement of Revenues, Expenses, and**  
**Changes in Retained Earnings - Proprietary Fund Type**  
**For the year ended June 30, 1999**

|                               |                           |
|-------------------------------|---------------------------|
| OPERATING REVENUES            |                           |
| Water sales                   | \$83,553                  |
| Sewer charges                 | 25,145                    |
| Grant                         | 13,095                    |
| Miscellaneous                 | <u>6,814</u>              |
| TOTAL OPERATING REVENUES      | 128,607                   |
| OPERATING EXPENSES            |                           |
| Salaries and related benefits | 41,968                    |
| Maintenance and repairs-plant | 7,894                     |
| Sewer treatment expense       | 9,139                     |
| Insurance                     | 8,027                     |
| Vehicle expense               | 1,644                     |
| Office expense                | 1,505                     |
| Depreciation                  | 46,695                    |
| Utilities                     | 12,732                    |
| Telephone                     | 786                       |
| Supplies                      | 21,364                    |
| Miscellaneous                 | <u>8,799</u>              |
| TOTAL OPERATING EXPENSES      | <u>160,553</u>            |
| Operating income (loss)       | (31,946)                  |
| Nonoperating revenue          |                           |
| Interest income               | <u>2,530</u>              |
| TOTAL NONOPERATING REVENUE    | <u>2,530</u>              |
| NET INCOME (LOSS)             | (29,416)                  |
| FUND BALANCE, BEGINNING       | <u>1,307,696</u>          |
| FUND BALANCE, ENDING          | <u><u>\$1,278,280</u></u> |

See accompanying notes and accountant's compilation report.

**TOWN OF TULLOS**  
**Statements of Cash Flows - Proprietary Fund Type**  
**For the Year Ended June 30, 1999**

|   |                 |                               |
|---|-----------------|-------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                 |                               |
| Operating Income  |                 | (\$31,946)                    |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: |                 |                               |
| Depreciation  | \$46,695        |                               |
| Increase in accounts receivable   | (2,424)         |                               |
| Decrease in accounts payable and sales tax payable                                      | (2,804)         |                               |
| Increase in interfund payables  | 5,510           |                               |
| Increase in customer deposits   | <u>966</u>      |                               |
| <b>NET CASH (USED BY) OPERATING ACTIVITIES</b>  |                 | <b>15,997</b>                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                 |                               |
| Construction in progress  | <u>(12,200)</u> |                               |
| <b>NET CASH (USED BY) FINANCING ACTIVITIES</b>  |                 | <b>(12,200)</b>               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                 |                               |
| Operating transfer  |                 |                               |
| Principal reductions  |                 |                               |
| Interest payments   |                 |                               |
| Interest income   | <u>2,530</u>    |                               |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>  |                 | <u><b>2,530</b></u>           |
| <b>NET INCREASE IN CASH</b>   |                 | <u><b>6,327</b></u>           |
| <b>CASH AT BEGINNING OF YEAR</b>  |                 | <u><b>76,854</b></u>          |
| <b>CASH AT END OF YEAR</b>  |                 | <u><u><b>\$83,181</b></u></u> |
| <br><b>SUMMARY</b>  |                 |                               |
| Operating account   |                 | \$71,204                      |
| Restricted  |                 | <u>11,977</u>                 |
|   |                 | <u><u><b>\$83,181</b></u></u> |
| <br>Expenditures for interest - cash basis  |                 | <br><u><u>\$0</u></u>         |
| Expenditures for taxes - cash basis   |                 | <u><u>\$16,152</u></u>        |

See accompanying notes and accountant's compilation report.

**TOWN OF TULLOS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Tullos was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Alderman form of government.

The accompanying policies of the Town of Tullos, Louisiana, conform to generally accepted accounting principles as applicable to governmental units, except as noted below. The following is a summary of the more significant policies.

**Financial Reporting Entity**

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic but not the only -- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no potential component units and all of the Town's activities were included in the primary government reporting entity.

**Fund Accounting**

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Town:

**GOVERNMENTAL FUND TYPE**

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - Capital Projects Funds are used to account for the receipt and disbursement of resources for the purpose of building or buying major capital assets.

TOWN OF TULLOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Debt Service Fund - Debt Service Funds are used to account for resources accumulated for the purpose of paying principal and interest on long term general obligation debt other than those payable from the Proprietary funds.

PROPRIETARY FUND TYPE

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund of the Town of Tullus operates a combined water and sewer system viewed for reporting purposes as a single entity. Operating results by division are not determinable.

ACCOUNT GROUPS

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Town other than those accounted for in the proprietary fund. For the year ended June 30, 1998, the Town has not maintained details of the various properties and equipment that should be included in this account group. Accordingly, the General Fixed Asset group has not been included in the accompanying financial statements.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the Town not accounted for in the proprietary fund for the year ended June 30, 1999. There was no activity in this account group and accordingly the accompanying financial statements do not include such an account group.

***Basis of Accounting***

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

TOWN OF TULLOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (enterprise) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

### **Budgets And Budgetary Accounting**

The Town Clerk prepares an annual budget for the Town's general fund. This budget is submitted to the Town Council and an approved budget is adopted before the beginning of each fiscal year.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is adopted for the Town's Utility Fund.

### **Advances to Other Funds**

Amounts shown as "advances" to other funds are not expected to be available or spendable during the next accounting cycle. However, amounts designated as "due from other funds" are considered "available spendable resources."

### **Bad debts**

Unpaid amounts for utility and sewer bills are generally not significant. The Town considers all debts to be collectible and does not write off any amounts.

### **Fixed Assets - Proprietary Fund**

Property and equipment are recorded at cost or estimated historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Prior to July 1, 1988 there were few records supporting the cost of the sewer and water distribution system. The cost of these systems have been estimated using the bond issues proceeds through the year.

### **Compensated Absences**

Accumulated vacation, sick pay and other employee benefits and pensions are not material and are therefore not accrued.

TOWN OF TULLOS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 1999

**Contributed Capital**

Grants received by the Town that are restricted for the acquisition or construction of fixed assets are recorded as contributed capital. Depreciation on assets acquired with contributed capital is recorded as an operation expense. Contributed capital accounts and net income are not adjusted for the effects of related depreciation.

**Total Columns on Combined Statements**

Total columns on the combined statements are captioned "Memorandum" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. CASH AND CASH EQUIVALENTS**

The Town's cash accounts at June 30, 1999, are categorized below to give an indication of the level of risk assumed by the Town at year end. Category 1 includes cash that is insured. Category 2 includes uninsured and unregistered cash and investments, with securities held by the counter party's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent but not in the Town's name. In accordance with GASB 3, this category includes certificate of deposits or money market accounts that are collateralized with securities held by the pledging financial institutions or by its trust department or agent but not in the Town's name, although balances so collateralized meet the requirements of state law.

|              | Category         |            |            | Bank             |
|--------------|------------------|------------|------------|------------------|
|              | 1                | 2          | 3          | Balance          |
| Cash in bank | <u>\$103,065</u> | <u>\$0</u> | <u>\$0</u> | <u>\$103,065</u> |

**3. ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTAL UNITS**

At June 30, 1999, amounts to be collected by the Town are as follows:

|                                    | General<br>Fund | Utility<br>Fund | Total    |
|------------------------------------|-----------------|-----------------|----------|
| Accounts receivable:               |                 |                 |          |
| Due for Utility sales              |                 | \$20,115        | \$20,115 |
| Franchise taxes                    | \$1,547         |                 | \$1,547  |
| Fire fees                          | 2,594           |                 | 2,594    |
| Due from other governmental units: |                 |                 |          |
| Tobacco tax                        | 577             |                 | 577      |

TOWN OF TULLOS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 1999

|             | General<br>Fund | Utility<br>Fund | Total    |
|-------------|-----------------|-----------------|----------|
| Video poker | 3,539           |                 | 3,539    |
| Total       | \$8,257         | \$20,115        | \$28,372 |

At June 30, 1999 there were no material amounts of uncollectible receivables and there was no provision recorded on the books.

**4. AD VALOREM TAXES**

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of LaSalle Parish. For the year ended June 30, 1999, the Town levied a 9.49 mills for general corporate purposes.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed. There were no material amounts of collectible ad valorem taxes at June 30, 1999.

**5. INTERFUND RECEIVABLES AND PAYABLES**

The following is a summary of the interfund receivables and payables at June 30, 1999:

|                   | Due<br>From | Due<br>To |
|-------------------|-------------|-----------|
| General Fund      | \$27,560    | \$3,063   |
| Proprietary Funds | 1,000       | 25,497    |
| Total             | \$28,560    | \$28,560  |

**6. PROPERTY AND EQUIPMENT**

A summary of the general fixed asset account group consist of the following:

|            | Balance<br>6/30/98 | Additions | Deletions | Balance<br>6/30/99 |
|------------|--------------------|-----------|-----------|--------------------|
| Equipment  | \$3,656            |           |           | \$3,656            |
| Vehicle    | 7,933              |           |           | 7,933              |
| Fire truck | 137,633            |           |           | 137,633            |
| Total      | \$149,222          | \$0       | \$0       | \$149,222          |

TOWN OF TULLOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

A summary of the property and equipment in the Utility Fund at June 30, 1999 consists of the following:

|                               | Balance<br>6/30/98 | Additions         | Deletions  | Balance<br>6/30/99 |
|-------------------------------|--------------------|-------------------|------------|--------------------|
| Water distribution system     | \$1,483,736        |                   |            | \$1,483,736        |
| Equipment                     | 32,821             |                   |            | 32,821             |
| Land & buildings              | 26,157             |                   |            | 26,157             |
| Sewer collection system       | 218,800            |                   |            | 218,800            |
| Construction in progress      |                    | 12,200            |            | 12,200             |
| Subtotal                      | 1,761,514          | 12,200            | 0          | 1,773,714          |
| Less accumulated depreciation | (512,453)          | (46,695)          |            | (559,148)          |
| Total                         | <u>\$1,249,061</u> | <u>(\$34,495)</u> | <u>\$0</u> | <u>\$1,214,566</u> |

**7. PER DIEM PAYMENTS TO MAYOR & ALDERMEN**

|                  |                |
|------------------|----------------|
| Fred Book, Mayor | \$2,200        |
| Billy Bert Loe   | 150            |
| Darwin Fife      | 300            |
| John Rankin      | 150            |
| Mike Nowlin      | 150            |
| Buck Borland     | 150            |
| Melba King       | 150            |
| Jim Arbogast     | 300            |
| Total            | <u>\$3,550</u> |

**8. CONTRIBUTED CAPITAL**

An analysis of the Town's contributed capital account is presented as follows:

|                        |                    |
|------------------------|--------------------|
| Balance, June 30, 1998 | \$1,277,305        |
| Additions              | <u>0</u>           |
| Balance, June 30, 1999 | <u>\$1,277,305</u> |

**9. RISK MANAGEMENT**

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omission; injuries to employees; and natural disasters. Insurance for these risk is provided by participation in a public entity risk pool that operates as a common insurance program for various municipalities. Settled claims resulting from these risk have not exceeded available coverage in any of the past three (3) years.

TOWN OF TULLOS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 1999

**10. GENERAL LONG-TERM DEBT**

The general obligation bonds were originally issued on June 13, 1996, for \$120,000 at an interest rate of 5.15%.

|                              |                        |
|------------------------------|------------------------|
| Notes payable, July 1, 1998  | \$101,000              |
| Principal payments           | <u>(10,000)</u>        |
| Notes payable, June 30, 1999 | <u><u>\$91,000</u></u> |

The following is a summary of bond principal maturities and interest requirements:

|                      |                        |
|----------------------|------------------------|
| Year ending June 30, |                        |
| 2000                 | \$15,686               |
| 2001                 | 16,120                 |
| 2002                 | 15,502                 |
| 2003                 | 15,884                 |
| 2004                 | 16,215                 |
| 2005-2006            | <u>31,266</u>          |
| Subtotal             | 110,673                |
| Less interest        | <u>(19,673)</u>        |
| Total                | <u><u>\$91,000</u></u> |

The bonds were issued for the purpose of purchasing a fire truck and are to be paid from general receipts of the Town of Tullos, Louisiana.

**11. YEAR 2000 COMPUTERS SYSTEM COMPLIANCE**

The management of Town of Tullos has reviewed the software systems and related applications used to assess its requirements regarding the "Year 2000 Issue" which, if unresolved, could have a significant impact on the Town's operations. The Town has made and will continue to make the expenditures necessary to ensure that its software systems and applications continue to function properly before, during, and after the year 2000. These expenditures, which are expensed as incurred, have not been and are not expected to be material to the Town's financial position or results of operations.

# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of LCPA'S

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Town of Tullos, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Town of Tullos, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluation management's assertions about Town of Tullos's compliance with certain laws and regulations during the year ended June 30, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000, and no expenditures were made for public works exceeding \$100,000. I examined each cash disbursement record which indicated no purchases which would require public bidding requirements.

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

One of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2), but both were independently elected so there was no violation.

#### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget.

6. Trace the budget adoption and amendments to the minute book.

A reading of the minutes showed the budget being approved by the Board of Aldermen. No amendments were made during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenue or expenditures exceed budgeted amounts by more than 5%.

I compared the budgeted expenditures to actual expenditures. Actual expenditures exceeded budget by 21%, or \$16,665.

#### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:

a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that all six checks were for proper amount and payee.

b) determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were properly coded to the correct fund or general ledger account.

c) determine whether payments received approval from proper authorities.

A reading of the minutes indicated approval from the board of aldermen for all monthly bills.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Town of Junction City is only required to post a notice of each meeting and the accompanying agenda on the door of the Town hall building. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### *Advances and Bonuses*

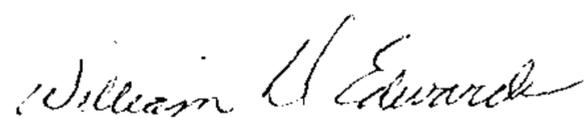
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

During my attestation engagement, the Town could not provide a listing of general fixed assets.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Town of Tullos, Louisiana, and the Legislative Auditor, State of Louisiana and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Ruston, Louisiana  
December 15, 1999

TOWN OF TULLOS, LOUISIANA  
SUMMARY OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 1999

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

98-1: The budget for the year ended June 30, 1998, was not adopted until June, 1998.

Recommendation: I recommend the Town adopt the budget before the fiscal year begins.

Conclusion: Resolved

98-2: The actual expenditures exceed the budgeted expenditures by \$12,859 or 16%, which violates the local budget law.

Recommendation: I recommend that the Town monitor and amend its budget as needed.

Conclusion: Unresolved - see Attestation representation 7.

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

None

**C. MANAGEMENT LETTER**

None

**COUNCIL MEMBERS**

Jim Arbogast  
Buck Borland  
Darwin Fife  
Mike Nowlin  
John Rankin

# TOWN OF TULLOS

FRED BOOK, MAYOR

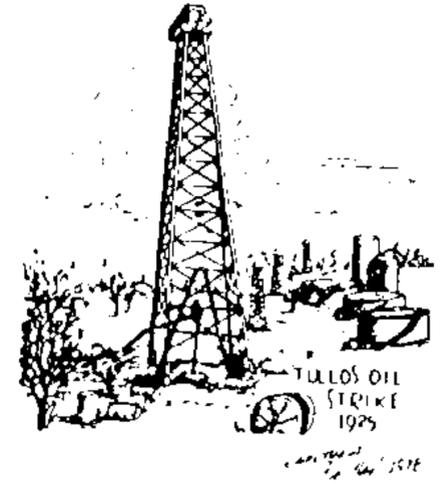
PHONE (318) 534-6499  
P. O. BOX 749  
TULLOS, LOUISIANA 71479

**CLERK & TAX COLLECTOR:**

Mary White

**CHIEF OF POLICE:**

James W. Arbogast, III



## CORRECTIVE ACTION PLAN For the Year Ended June 30, 1999

Town of Tullus hereby submits the following corrective action plan regarding the findings in the attestation for the year ending June 30, 1999:

99-1. Actual expenditures exceeded budgeted expenditures by more than 5%.

Recommendation: The town should analyze interim budget and actual comparisons and amend the budget as needed.

Response: The town will amend the budget as needed for extraordinary items, such as repairs and maintenance.

99-2. The Town could not provide a listing of general fixed assets.

Recommendation: The town should conduct a physical inventory and set up subsidiary records to comply with generally accepted accounting principles.

Response: The town will make an effort to comply with this recommendation..

LOUISIANA ATTESTATION QUESTIONNAIRE

12/6/99 Date

William D. Edwards  
105 E. Reynolds Dr. ste A  
Ruston, LA 71270  
(Auditors)

In connection with your compilation of our financial statements as of June 30, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 12/6/99 (date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39-43.

Yes  No

## LOUISIANA ATTESTATION QUESTIONNAIRE

### Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:38.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes  No

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes  No

### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

LOUISIANA ATTESTATION QUESTIONNAIRE

Mary White Clay 12-6-99 Date  
Secretary  
\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date  
\_\_\_\_\_  
President \_\_\_\_\_ Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.